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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

ZEOTECH MINING, INC; CLIFFORD K. WOOD;
their agents and employees,

Respondents.

SDO - 72 - 01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

Case No. 01-08-305

THE STATE OF WASHINGTON TO: Clifford K. Wood
Zeotech Mining, Inc.
50 S. Fir St.
P.O. Box 1152
Soap Lake, WA 98851

On August 23, 2001, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist SDO-66-01 hereinafter referred to as "Summary Order."

The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing") thereon, were personally served on Respondents Zeotech Mining, Inc. and Clifford K. Wood on August 27, 2001. The Notice of Opportunity for Hearing advised Respondents that they had twenty days from the date they received the notice to file a written application for an administrative hearing on the Summary Order.

Respondents Zeotech Mining, Inc. and Clifford K. Wood each failed to request an administrative hearing within twenty days of its receipt of the Summary Order and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Summary Order.

The Securities Administrator makes the following findings of fact and conclusions of law:

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2 **FINDINGS OF FACT**

3 **I. Respondents**

4 1. **ZEOTECH MINING, INC.** (“Zeotech”) is a Washington corporation with a place of business at 50 S.
5 Fir St., Soap Lake, Washington. Zeotech was formed for the purported purpose of mining and processing minerals
6 from a 4000 acre site located 30 miles from George, Washington.

7 2. **CLIFFORD K. WOOD** (“Wood”) is the President of Zeotech.

8 **II. Nature of offering**

9 3. Up until August of 2001, Respondents Zeotech Mining, Inc. and Clifford K. Wood maintained a
10 website on the World Wide Web, located at www.strayonline.com/zeotech/. This website provided information on
11 “investment opportunities” with Zeotech.

12 4. According to information contained on the website, Zeotech seeks to raise between \$500,000 to
13 \$1,000,000. Zeotech represented that it plans to mine and sell bentonites, diatomaceous earth and zeolites from
14 deposits in Grant County, Washington.

15 5. The website contained information concerning Zeotech’s investment opportunity, including but not
16 limited to, a document entitled “INVESTOR AGREEMENT.” According the agreement, an investor is to receive a
17 percentage of the common stock of the company in exchange for his or her investment. The agreement also stated
18 that an investor will have no say in the management of the company’s affairs. The website also contained
19 information on how to contact Zeotech, including telephone and fax numbers, an e-mail address, and a mailing
20 address.

21 6. The website did not include a disclosure document containing complete material information about
22 the investment opportunity described above, including but not limited to: financial statements of Zeotech Mining,
23 Inc.; the risk factors associated with the investment; and the use of the proceeds from the offering.

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2 **III. Registration Status**

3 The offer and sale of the investments described in section II are not currently registered in the State of
4 Washington and have not previously been so registered.

5 Zeotech Mining, Inc. and Clifford K. Wood are not currently registered as securities salespersons or broker-
6 dealers in the State of Washington and have not previously been so registered.

7 Based upon the above Findings of Fact, the following Conclusions of Law are made:

8 **CONCLUSIONS OF LAW**

9 **I. Securities**

10 The offer and/or sale of interests in Zeotech Mining, Inc. as described above constitutes the offer and sale of a
11 security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract or risk capital.

12 **II. Anti-Fraud Provisions**

13 The offer and/or sale of said securities were made in violation of RCW 21.20.010 because, as set forth in
14 Section II of the Tentative Findings of Fact, Respondents either made untrue statements of material fact or omitted to
15 state material facts necessary in order to make the statements made, in light of the circumstances under which they
16 were made, not misleading.

17 **III. Registration of Securities**

18 The offer and/or sale of said securities are in violation of RCW 21.20.140 because no registration for such
19 offer and sale is on file with the Securities Administrator of the state of Washington.

20 **IV. Registration of Broker-Dealers and Salespersons**

21 Respondents have violated RCW 21.20.040 by offering and/or selling said securities while not registered
22 as a securities salesperson or broker-dealer in the state of Washington.

FINAL ORDER

Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and employees, shall each cease and desist from violating RCW 21.20.140 by offering and/or selling unregistered securities.

It is further ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and employees, shall each cease and desist from violating RCW 21.20.040 by acting as a securities broker-dealer or securities salesperson without being so registered.

This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter 34.05 RCW.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 17th day of September, 2001.



DEBORAH R. BORTNER
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson
Chief of Enforcement

Chad Standifer
Staff Attorney